

Whirlpool
Leasing
Services, Inc.

5151 Indian Trail, Industrial Parkway, Suite 230 P.O. Box 1527
Norcross, GA 30091 (404) 449-6090 • National: (800) 334-9267

1 6047

NOV 21 1988 -4 15 PM

INTERSTATE COMMERCE COMMISSION

8-326A013

John F. Ollivier
Area Manager

October 13, 1988

Ms. Noreta McGee
Secretary
Interstate Commerce Commission
12th Street and Constitution Ave. NW
Washington, D.C. 20423

No. NOV 21 1988

Date

Fee \$ 13.00 1 6047

ICC Washington, D.C.

NOV 21 1988 -4 15 PM

INTERSTATE COMMERCE COMMISSION

Dear Secretary:

Pursuant to our establishing a security interest in certain railroad cars that Whirlpool Leasing Services, Inc. is financing, enclosed are original and two copies of the documents, described below, to be recorded pursuant to Section 11303 of Title 49 of the U.S. Code.

These documents are a Loan and Security Agreement, Promissory Note and Schedule A #03504-70 to Loan and Security Agreement dated November 15, 1988.

The names and addresses of the parties to the documents are as follows:

Lendor: Whirlpool Leasing Services, Inc.
17177 North Laurel Park Drive/Suite 233
Livonia, Michigan 48152

Borrower: Laurinburg and Southern Railroad Company
240 Railroad St.
Laurinburg, NC 28352

A description of the equipment covered by the documents is described in the attached Schedule A #03504-70.

A fee of \$13.00 is enclosed. Please return the original and any extra copies not needed by the Commission for the recordation to:

Whirlpool Leasing Services, Inc.
17177 North Laurel Park Drive/Suite 233
Livonia, Michigan 48152
Attention: Jeri Clark

Sincerely,

John Ollivier

John Ollivier
Area Manager



17177 N. Laurel Park Drive, Suite 233, Livonia, MI 48152
(313) 464-9100

November 23, 1988

Anthony S. Albanese
Vice President, Operations

Ms. Mildred Lee
Chief Examiner
Interstate Commerce Commission
12th Street and Constitution Avenue NW
Washington D.C. 20423

Dear Ms. Lee:

Pursuant to your conversation with John Ollivier of our Georgia office, I am forwarding an exact, notarized copy of the original documents to be filed in reference to a certain transaction between WLSI, Laurinburg and Southern Railroad Co.

If you have any questions, please feel free to contact me. Our office is located in Michigan.

Sincerely,

A handwritten signature in cursive script that reads "Anthony S. Albanese".
Anthony S. Albanese

ASA/dlo

Enclosures

Duplicate Original

1 of 2

#03504-70

PROMISSORY NOTE

1 6047/A
RECORDED NO. 1111111111

\$638,459.00

Date November 15, 1988

NOV 15 1988 4 11 PM

Livonia, Michigan

~~INTERSTATE COMMERCE COMMISSION~~

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, the undersigned promises to pay to the order of WHIRLPOOL LEASING SERVICES, INC. at its offices at 17177 North Laurel Park Drive, Suite 233, Livonia, Michigan 48152, the principal sum of Six Hundred thirty eight thousand four hundred fifty nine and no/100 (\$638,459.00)

Dollars U.S. together with accrued interest thereon (1) from the date hereof until April 20, 1989, at the rate of one (1%) per annum in excess of Citibank's Prime Rate (the "Index"), with interest only payable in arrears every thirty (30) days, and (2) from April 21, 1989 through the maturity date of this Note, at the rate of 11.25 % per annum, such payment to be made in advance in

Sixty equal consecutive monthly installments, the initial installment shall be \$ 13,831.77, due on April 21, 1989 and on the 20th day of every month thereafter. The final amount of \$13,831.77 shall be due and payable on March 21, 1994,

together with any other indebtedness or obligations that may be outstanding. If the interest rate on this Note is tied to the Index, then each change in the Index shall cause a change in the interest rate hereon effective as of the business day on which the Index changes. Interest is to be calculated on the basis of a 365 day year for the actual outstanding days. All payments made pursuant to this Promissory Note shall be applied first to accrued interest and then to the unpaid principal balance.

This Promissory Note is executed pursuant to a certain "Loan and Security Agreement" between the undersigned and Whirlpool Leasing Services, Inc. dated November 15, 1988, ("Loan Agreement"). The terms of said Loan Agreement and the accompanying Documents therein defined are incorporated herein by reference, as if set forth in their entirety.

If default is made in the payment, within 5 days after written notice from Lender when due, of any installment hereof, or if any other "Event of Default", as defined in the aforementioned Loan Agreement and accompanying Documents, occurs, subject to provisions in Rider A of such accompanying Documents, then the entire unpaid balance of this Promissory Note shall, at the option of the holder hereof without notice or demand, become immediately due and payable.

If any installment is not paid within five days after written notice from Lender of nonpayment, the holder may collect currently or may add to the final installment, a default charge of 5.0% per month (or fraction thereof) on the amount of any installment in arrears, except installments in arrears solely by reason of acceleration of their maturity. This provision shall not be deemed to extend the due date, or grant any period of grace of or on any such installment. In the event that payment is not made upon maturity of this Promissory Note, whether by acceleration or otherwise, then interest shall accrue at the rate of 2% per annum in excess of the rate described above on the entire amount owing by the undersigned pursuant to this Promissory Note at the time of maturity.

This Promissory Note may be prepaid in its entirety at any time, including all accrued interest and default charges, provided however, that any such prepayment shall be accompanied by a premium equal to a maximum of 5 % of the original principal balance, during the first 12 months, 4 % during months 13-24, 3 % during months 25-36, 2 % during months 37-48, and 1 % during months 49-60.

The undersigned hereby waives presentment, demand, notice, protest and all other notices in connection with the exercise or enforcement of holder's rights and any defense by reason of extension of time, renewals or other indulgences granted by the holder with respect to the undersigned or of any collateral securing this Promissory Note.

This Promissory Note shall be deemed to have been executed in Livonia, Michigan, and its interpretation and construction shall be governed by the laws of the State of Michigan.

"MAKER"

Laurinburg and Southern Railroad Company
a North Carolina Corporation

By: ✓ [Signature]

Its: ✓ President

Address:

204 Railroad St.
Laurinburg, NC 28352

- 1 of 2

#03504-71

PROMISSORY NOTE

\$150,000.00

Date November 15, 1988

Livonia, Michigan

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, the undersigned promises to pay to the order of WHIRLPOOL LEASING SERVICES, INC. at its offices at 17177 North Laurel Park Drive, Suite 233, Livonia, Michigan 48152, the principal sum of One Hundred fifty thousand and no/100 (\$150,000.00)

Dollars U.S. together with accrued interest thereon (1) from the date hereof until April 20, 1989, at the rate of one (1%) per annum in excess of Citibank's Prime Rate (the "Index"), with interest only payable in arrears every thirty (30) days, and (2) from April 21, 1989 through the maturity date of this Note, at the rate of 11.25 % per annum, such payment to be made in advance in

Sixty equal consecutive monthly installments, the initial installment shall be \$ 3,249.63, due on April 21, 1989 and on the 20th day of every month thereafter. The final amount of \$3,249.63 shall be due and payable on March 21, 1994,

together with any other indebtedness or obligations that may be outstanding. If the interest rate on this Note is tied to the Index, then each change in the Index shall cause a change in the interest rate hereon effective as of the business day on which the Index changes. Interest is to be calculated on the basis of a 365 day year for the actual outstanding days. All payments made pursuant to this Promissory Note shall be applied first to accrued interest and then to the unpaid principal balance.

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If default is made in the payment, within 5 days after written notice from Lender when due, of any installment hereof, or if any other "Event of Default", as defined in the aforementioned Loan Agreement and accompanying Documents, occurs, subject to provisions in Rider A of such accompanying Documents, then the entire unpaid balance of this Promissory Note shall, at the option of the holder hereof without notice or demand, become immediately due and payable.

If any installment is not paid within five days after written notice from Lender of nonpayment, the holder may collect currently or may add to the final installment, a default charge of 5.0% per month (or fraction thereof) on the amount of any installment in arrears, except installments in arrears solely by reason of acceleration of their maturity. This provision shall not be deemed to extend the due date, or grant any period of grace of or on any such installment. In the event that payment is not made upon maturity of this Promissory Note, whether by acceleration or otherwise, then interest shall accrue at the rate of 2% per annum in excess of the rate described above on the entire amount owing by the undersigned pursuant to this Promissory Note at the time of maturity.

This Promissory Note may be prepaid in its entirety at any time, including all accrued interest and default charges, provided however, that any such prepayment shall be accompanied by a premium equal to a maximum of 2 % of the original principal balance, during the first 12 months, 2 % during months 13-24, 1 % during months 25-36, 1 % during months 37-48, and 1 % during months 49-60.

The undersigned hereby waives presentment, demand, notice, protest and all other notices in connection with the exercise or enforcement of holder's rights and any defense by reason of extension of time, renewals or other indulgences granted by the holder with respect to the undersigned or of any collateral securing this Promissory Note.

This Promissory Note shall be deemed to have been executed in Livonia, Michigan, and its interpretation and construction shall be governed by the laws of the State of Michigan.

"MAKER"

Laurinburg and Southern Railroad Company
a North Carolina Corporation

By: ✓ [Signature]

Its: ✓ [Signature]

Address:

204 Railroad St.
Laurinburg, NC 28352

142

#03504-72

PROMISSORY NOTE

\$150,000.00

Date November 15, 1988

Livonia, Michigan

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, the undersigned promises to pay to the order of WHIRLPOOL LEASING SERVICES, INC. at its offices at 17177 North Laurel Park Drive, Suite 233, Livonia, Michigan 48152, the principal sum of One Hundred fifty thousand and no/100 (\$150,000.00)

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If default is made in the payment, within 5 days after written notice from Lender when due, of any installment hereof, or if any other "Event of Default", as defined in the aforementioned Loan Agreement and accompanying Documents, occurs, subject to provisions in Rider A of such accompanying Documents, then the entire unpaid balance of this Promissory Note shall, at the option of the holder hereof without notice or demand, become immediately due and payable.

If any installment is not paid within five days after written notice from Lender of nonpayment, the holder may collect currently or may add to the final installment, a default charge of 5.0% per month (or fraction thereof) on the amount of any installment in arrears, except installments in arrears solely by reason of acceleration of their maturity. This provision shall not be deemed to extend the due date, or grant any period of grace of or on any such installment. In the event that payment is not made upon maturity of this Promissory Note, whether by acceleration or otherwise, then interest shall accrue at the rate of 2% per annum in excess of the rate described above on the entire amount owing by the undersigned pursuant to this Promissory Note at the time of maturity.

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The undersigned hereby waives presentment, demand, notice, protest and all other notices in connection with the exercise or enforcement of holder's rights and any defense by reason of extension of time, renewals or other indulgences granted by the holder with respect to the undersigned or of any collateral securing this Promissory Note.

This Promissory Note shall be deemed to have been executed in Livonia, Michigan, and its interpretation and construction shall be governed by the laws of the State of Michigan.

"MAKER"

Laurinburg and Southern Railroad Company
a North Carolina Corporation

By: ✓ [Signature]

Its: ✓ [Signature]

Address:

204 Railroad St.

Laurinburg, NC 28352

PROMISSORY NOTE\$150,000.00Date November 15, 1988

Livonia, Michigan

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, the undersigned promises to pay to the order of WHIRLPOOL LEASING SERVICES, INC. at its offices at 17177 North Laurel Park Drive, Suite 233, Livonia, Michigan 48152, the principal sum of One Hundred fifty thousand and no/100 (\$150,000.00)

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If default is made in the payment, within 5 days after written notice from Lender when due, of any installment hereof, or if any other "Event of Default", as defined in the aforementioned Loan Agreement and accompanying Documents, occurs, subject to provisions in Rider A of such accompanying Documents, then the entire unpaid balance of this Promissory Note shall, at the option of the holder hereof without notice or demand, become immediately due and payable.

If any installment is not paid within five days after written notice from Lender of nonpayment, the holder may collect currently or may add to the final installment, a default charge of 5.0% per month (or fraction thereof) on the amount of any installment in arrears, except installments in arrears solely by reason of acceleration of their maturity. This provision shall not be deemed to extend the due date, or grant any period of grace of or on any such installment. In the event that payment is not made upon maturity of this Promissory Note, whether by acceleration or otherwise, then interest shall accrue at the rate of 2% per annum in excess of the rate described above on the entire amount owing by the undersigned pursuant to this Promissory Note at the time of maturity.

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This Promissory Note shall be deemed to have been executed in Livonia, Michigan, and its interpretation and construction shall be governed by the laws of the State of Michigan.

"MAKER"

Laurinburg and Southern Railroad Company
a North Carolina Corporation

By: ✓ [Signature]

Its: ✓ [Signature]

Address:

204 Railroad St.
Laurinburg, NC 28352

#03504-75

PROMISSORY NOTE\$150,000.00Date November 15, 1988

Livonia, Michigan

FOR VALUE RECEIVED, the receipt and sufficiency of which is hereby acknowledged, the undersigned promises to pay to the order of WHIRLPOOL LEASING SERVICES, INC. at its offices at 17177 North Laurel Park Drive, Suite 233, Livonia, Michigan 48152, the principal sum of One Hundred fifty thousand and no/100 (\$150,000.00)

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If any installment is not paid within five days after written notice from Lender of nonpayment, the holder may collect currently or may add to the final installment, a default charge of 5.0% per month (or fraction thereof) on the amount of any installment in arrears, except installments in arrears solely by reason of acceleration of their maturity. This provision shall not be deemed to extend the due date, or grant any period of grace of or on any such installment. In the event that payment is not made upon maturity of this Promissory Note, whether by acceleration or otherwise, then interest shall accrue at the rate of 2% per annum in excess of the rate described above on the entire amount owing by the undersigned pursuant to this Promissory Note at the time of maturity.

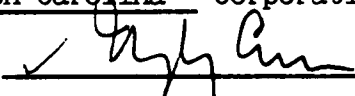
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This Promissory Note shall be deemed to have been executed in Livonia, Michigan, and its interpretation and construction shall be governed by the laws of the State of Michigan.

"MAKER"

Laurinburg and Southern Railroad Company
a North Carolina Corporation

By: 

Its: 

Address:

204 Railroad St.
Laurinburg, NC 28352

PROMISSORY NOTE\$150,000.00Date November 15, 1988

Livonia, Michigan

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If any installment is not paid within five days after written notice from Lender of nonpayment, the holder may collect currently or may add to the final installment, a default charge of 5.0% per month (or fraction thereof) on the amount of any installment in arrears, except installments in arrears solely by reason of acceleration of their maturity. This provision shall not be deemed to extend the due date, or grant any period of grace of or on any such installment. In the event that payment is not made upon maturity of this Promissory Note, whether by acceleration or otherwise, then interest shall accrue at the rate of 2% per annum in excess of the rate described above on the entire amount owing by the undersigned pursuant to this Promissory Note at the time of maturity.

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"MAKER"

Laurinburg and Southern Railroad Company
a North Carolina Corporation

By: ✓ [Signature]

Its: ✓ [Signature]

Address:

204 Railroad St.
Laurinburg, NC 28352

SCHEDULE A #03504-70
to the Loan & Security Agreement dated November 15, 1988

Equipment Description:

100 Used Berwick 70 ton Plate C Box Cars with Ride Control and ABDW Brakes having the following Unit Identification Numbers:

LRS4001, LRS4002, LRS4003, LRS4004, LRS4005, LRS4006, LRS4007, LRS4008,
LRS4009, LRS4010, LRS4011, LRS4012, LRS4013, LRS4014, LRS4015, LRS4016,
LRS4017, LRS4018, LRS4019, LRS4020, LRS4021, LRS4022, LRS4023, LRS4024,
LRS4025, LRS4026, LRS4027, LRS4028, LRS4029, LRS4030, LRS4031, LRS4032,
LRS4033, LRS4034, LRS4035, LRS4036, LRS4037, LRS4039, ~~LRS4040~~, LRS4041,
LRS4042, LRS4043, LRS4044, LRS4045, LRS4046, LRS4047, LRS4048, LRS4049,
LRS4050, LRS4051, LRS4052, LRS4053, LRS4054, LRS4055, LRS4056, LRS4057,
LRS4058, LRS4059, LRS4060, LRS4061, LRS4062, LRS4063, LRS4064, LRS4065,
LRS4066, LRS4067, LRS4068, LRS4069, LRS4070, LRS4071, LRS4072, LRS4073,
LRS4074, LRS4075, LRS4076, LRS4077, LRS4078, LRS4079, LRS4080, LRS4081,
LRS4082, LRS4083, LRS4084, LRS4085, LRS4086, LRS4087, LRS4088, LRS4089,
LRS4090, LRS4091, LRS4092, LRS4093, LRS4094, LRS4096, LRS4097, LRS4098,
LRS4099, LRS4100, LRS8001, LRS 8002, LRS 2001

Additional Provisions:

1) This security interest is granted to secure performance of the terms and conditions of a Loan and Security Agreement and Promissory Notes dated November 15, 1988 between Whirlpool Leasing Services, Inc. and Laurinburg and Southern Railroad Company.

2) Notwithstanding any provisions herein to the contrary, the term "Default" and Lender's rights under Default as used herein shall be the same as set forth in such Loan and Security Agreement and Promissory Notes dated November 15, 1988.

Whirlpool Leasing Services, Inc. JFS
Laurinburg and Southern Railroad Company MLC

: Duplicate Original
1.4.2

Rider A
as part of the Loan & Security Agreement #03504
Dated: November 15, 1988

If an event of Default is one that cannot be cured by the payment of money ("Nonmonetary Default"), a condition of Default by Borrower shall be considered to exist only if it is not cured within thirty (30) days after written notice of Default has been given in accordance with this Agreement, or, if such Nonmonetary Default cannot reasonably be cured within such thirty (30) day period and Borrower either (i) does not commence to perform a required rectifying act within such thirty (30) day period and diligently prosecute such act to completion or (ii) does not cure such Nonmonetary Default within ninety (90) days after notice of Default is given as heretofore provided.

Whirlpool Leasing Services JFO

Laurinburg and Southern Railroad ma